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NSC BRIEFING NOTES

ADD TAIWAN STRAIT

A. With respect to future developments, I have just reviewed the situation with the USIB at our meeting this week. The main conclusions of our estimate can be summarized as follows:

A. Despite the boldness they displayed in probing US intentions, the Chinese Communists have never been committed to immediate capture of the offshore islands at all costs.

1. Various recent actions -- the limited commitment of the CCAP, the less than maximum artillery effort, the stress on undermining Nationalist morale, and finally the two-week cessation of artillery bombardment--all indicate that military power has been used primarily as a political weapon.
2. In fact, the main aims of the crisis have probably been those of
  - driving a wedge between the US and the ROC
  - weakening Nationalist morale
  - discrediting the ROC and the US before world opinion, and
  - reminding the world that Communist China must be reckoned with.
- a. Whatever hopes they may have had that the US would allow the offshore islands to fall by default, this was secondary.

3. Although domestic considerations probably played some part in the timing of the crisis, we believe these considerations were of secondary importance.

B. The present outlook is for a prolongation of the present uncertain situation--no maximum interdiction effort, no serious negotiation, no solution.

1. On one hand, Chinese Communist probing has probably convinced them that

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the US would fight rather than permit the offshore islands to fall in the face of direct military pressure.

a. Both Peiping and Moscow probably wish to avoid risks consequently involved in direct assault or all-out interdiction effort.

2. On other hand, the Chinese Communists probably feel that their bargaining position is a strong one--that there is little need to make concessions.

a. They probably retain considerable confidence that by dragging out negotiations--meanwhile maintaining varying degrees of pressure--they can aggravate US-ROC relations, erode Nationalist morale, and subject the US to increasing international and domestic pressure to get Nationalist troops withdrawn from the offshore islands.

b. At all costs they will seek to avoid anything smacking of a "two Chinas" solution which prejudices their claims to Taiwan and the offshore islands.

(1) Even in exchange for the offshore islands and US withdrawal from the Taiwan Strait area, they would probably do no more than reiterate their offer to refrain from force against Taiwan for a stipulated period.

(2) They would consider any lesser Nationalist concession unsatisfactory.

C. Specific Chinese Communist courses of action are difficult to estimate--and in part will depend on Chinese Nationalist and US actions. However, in general, they will probably:

1. Maintain at least intermittent military pressure.

a. They will probably move in improved aircraft and other equipment.

b. While we believe the odds are against it, we cannot rule out a resumption of serious interdiction efforts and more aggressive air

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and naval harassment in the event that present Communist tactics proved unproductive.

(1) Even in such case, they would probably stop short of a direct attack on the islands.

2. Seek to continue Warsaw talks, avoiding any real solution, as a means of prolonging crisis, demonstrating their "reasonableness," and avoiding UN consideration.

a. They evidently fear international debate which might result in pressures for "two Chinas" solution or other concessions.

3. Keep up propaganda and diplomatic pressure against US and Chinese Nationalists.

4. We do not anticipate any Chinese Communist military initiatives in other areas of the Far East in the near future.

D. Our estimate also considered the impact in Taiwan and other free Asian countries of various possible outcomes of the present crisis. I shall not take your time to cover our conclusions in detail. However, there are a couple of points worth mentioning:

1. While the present crisis has almost certainly raised doubts and uneasiness on Taiwan regarding the long-term prospects of the ROC, the long-term intentions of the US toward it, and ROC relations with the Taiwanese, ROC leaders have not panicked and in fact have demonstrated a considerable degree of realism and restraint.

a. We believe that the ROC can stand up under the continuing strains of the present crisis.

b. Even if the ROC lost the offshore islands—which would pose extreme strains—we do not believe that collapse of the ROC's will to survive or overthrow of the ROC would result—provided that the US had carefully paved the way and had given convincing demonstrations

- c. However, the GRC would strongly oppose any US suggestions aimed at complete withdrawal. We think they would eventually yield to US pressure on the subject, but possibly <sup>it</sup> cannot be overlooked that they might resort to provocative attacks on the mainland or anti-US demonstrations.
- 2. With respect to other free nations of the Far East, a noteworthy fact is that together with a dominant note of fear of war has been a growing respect for US firmness and restraint—even among neutralists.
  - a. With a few exceptions, most Koreans would favor some formula which would extricate US from offshore islands without loss of face or determination. Should such outcome eventuate, would probably be some increase in receptiveness to Chinese Communist influence, but also a rise in present level of support for a separate, protected Taiwan.
  - b. We do not believe that loss of offshore islands per se would critically damage US presence and position in East Asia, cause any Asian government to fall to Communists, or swing the loyalties of the overseas Chinese in Southeast Asia to Peking.